IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF PENNSYLVANIA

CHRISTINA CAMBRIA : CIVIL ACTION

NO. 03-cv-5605

ASSOCIATION OF FLIGHT ATTENDANTS,

v.

AFL-CIO :

MEMORANDUM

Baylson, J. April 5, 2005

Plaintiff Christina Cambria was formerly a flight attendant employed by USAirways. She claims that Defendant, a labor union, violated her rights in connection with a grievance she had filed against USAirways in which she was represented by Defendant. The case was referred to Magistrate Judge Caracappa of this Court who held a lengthy settlement conference on July 20, 2004. At the conclusion of this conference, defense counsel wrote a letter dated July 21, 2004 to Plaintiff's counsel, asserting that the parties had reached an agreement on a settlement and summarizing the terms.

Plaintiff's counsel at the settlement conference did not promptly respond to the asserted confirmation of the settlement as stated in the letter for several months. At that point Defendant filed a Motion to Enforce the Settlement Agreement (Doc. No. 18). In response, Plaintiff's counsel filed a memorandum and also an affidavit of Plaintiff's counsel dated February 8, 2005 disputing the assertion of Defendant that the case had been settled. This affidavit was the first time Plaintiff's counsel had put in writing a specific dispute as to the terms of the settlement set forth in the letter of defense counsel dated July 21, 2004.

This Court held two hearings, on February 25, 2005 and March 14, 2005, at which attorneys for Defendant and Plaintiff and Plaintiff herself testified. At the hearing, Plaintiff offered into evidence a letter from Magistrate Judge Caracappa dated December 13, 2004, advising the undersigned that the settlement conference held on July 20, 2004 "has been unsuccessful in assisting the parties in an overall resolution of this matter . . . we have continued with counsel and held follow-up settlement discussions, however, final settlement has not been reached."

Plaintiff is now represented by different counsel who alternatively asserts that the counsel who represented Plaintiff at the settlement hearing did not have authority to make the agreement which Defendant asserts was reached.

Under Pennsylvania law, the enforceability of settlement agreements is governed by principles of contract law. Mazzella v. Koken, 739 A.2d 531, 536 (Pa. 1999) (reversing Order enforcing settlement agreement). To be enforceable, a settlement agreement must possess all of the elements of a valid contract. Id. As with any contract, it is essential to the enforceability of a settlement agreement that "the minds of the parties should meet upon all the terms, as well as the subject matter, of the [agreement]." Id. The burden of proof is on the party attempting to assert a settlement agreement. See Max Control Sys. v. Indus. Sys., 2001 WL 1160760 (E.D. Pa. 2001) (denying motion to enforce settlement agreement).

Based on the above statement of the law, the Court will deny the Defendant's Motion to Enforce the Settlement. The Court necessarily relies heavily on Judge Caracappa's letter that no settlement had been reached as worthy of significant weight in refuting Defendant's claim that there was a sufficient meeting of the minds to constitute a binding settlement. Although counsel

for Plaintiff, representing Plaintiff at the settlement conference, should have responded to the letter of July 21, 2004 more promptly if he was not in agreement with it, there is some ambiguity in this letter under the facts presented at the hearings. Defendant asserts that it had no obligation to arrange for Plaintiff to be re-employed, but only had to make "good faith efforts to assist Miss Cambria." The Plaintiff's position is that although there was no obligation on Defendant to guarantee that Plaintiff would be re-employed, a condition of settlement was that Defendant would persuade USAir to reopen the grievance and submit it to arbitration, as a condition for Plaintiff dismissing this suit.

The Court is unwilling to penalize Plaintiff for the failure of Plaintiff's lawyer to respond promptly to the July 21, 2004 letter from defense counsel. The Court believes this would be unfair and penalize the Plaintiff for inaction on the part of her attorney.

Defendants rely heavily on Chantilly Farms, Inc. v. W. Pikeland Twp., 2002 WL 276139 (E.D.Pa. 2002) (enforcing settlement agreement). The Court agrees that case is instructive but it is also distinguishable from the instant case. Similar to this case, Chantilly Farms involved settlement discussions, an exchange of letters memorializing the terms of the agreement, but no integrated signed settlement agreement. In Chantilly Farms, the Courtfound that the parties orally agreed to a settlement during a telephone conversation. Id. at *2. The Court also found that the letters exchanged by counsel fully memorialized the terms of the settlement agreement as agreed to during the telephone conference. Id. at *3-4. Counsel for the defendants did not dispute the terms of the agreement until after the court dismissed the defendants from the action.

Id. at *4. In contrast, this Court does not find that the parties in this case ever reached a settlement agreement and has not dismissed any parties to this action.

Although many cases are settled based on an attorney's letter confirming terms reached in a settlement conference, particularly where the principal term of the settlement is the payment of money, in this case the relief sought by Plaintiff was primarily equitable in nature, and it would have been better practice to insist on a document signed and countersigned by both counsel and the parties.

Because the Court finds that Defendant has not satisfied its burden to enforce the settlement, the Court need not consider Plaintiff's alternate argument as to whether Plaintiff's counsel at the settlement conference had sufficient authority under Pennsylvania law to bind Plaintiff.

The Court notes that Defendant has filed a Motion for Summary Judgment and will require the parties to discuss whether any additional discovery is necessary to complete the factual record for Plaintiff to respond to the Motion for Summary Judgment.

An appropriate Order follows.

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ORDER

AND NOW, this 5th day of April, 2005, the Defendant's Motion to Enforce the Settlement Agreement (Doc. No. 18) is DENIED. The Court requires the parties to promptly discuss any outstanding discovery, to complete the discovery, to set a date for the Plaintiff to respond to the Motion for Summary Judgment, and to allow Defendant ten (10) days thereafter to file a reply brief. Counsel shall advise the Court of any disputes about discovery and/or scheduling and the Court will schedule a telephone conference to resolve all of these matters.

BY THE COURT:

s/Michael M. Baylson
Michael M. Baylson, U.S.D.J.

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